

Amendments to the Claims:

This listing of claims will replace all prior versions, and listings, of claims in the application:

1. (currently amended) A method for conducting a progressive, price-driven, combinatorial auction of items, the method comprising:

(a) receiving at a computer site bids for the items being auctioned from a plurality of bidders wherein each of the bids represents at least one bundle of items and at least one associated offer price;

(b) calculating an interim allocation of bundles to bidders that maximizes or approximates a total value of winning bids;

(c) calculating an interim winning price for each bundle in the ~~initial~~ interim allocation based on a k-bundle price algorithm which ensures that the bidders can determine whether they are winning the auction from the interim winning prices;

(d) transmitting the interim allocation and the interim winning prices to the bidders;

(e) receiving upwardly-revised bids from the bidders;

(f) calculating a revised, interim allocation of bundles to bidders and a revised, interim winning price for each bundle in the revised, interim allocation based on the revised bids;

(g) transmitting the revised, interim allocation and the revised, interim winning prices to the bidders;

(h) repeating steps (e) through (g) until a termination criterion is satisfied;
and

(i) declaring the last revised, interim allocation and the last revised, interim winning prices as an auction result after termination of the bidding process.

2. (currently amended) The method as claimed in claim 1 further comprising:

determining interim prices for one or more unallocated bundles based on ~~the interim winning prices~~ the k-bundle price algorithm; and
transmitting the interim prices for the one or more unallocated bundles to the bidders.

3. (previously presented) The method as claimed in claim 1 wherein the items are products.

4. (previously presented) The method as claimed in claim 1 wherein the items are services.

5. (previously presented) The method as claimed in claim 1 wherein the items include at least one product and at least one service.

6. (previously presented) The method as claimed in claim 1 wherein the computer site is a Web site.

7. (previously presented) The method as claimed in claim 1 wherein the auction ends a fixed period of time after the auction begins.

8. (previously presented) The method as claimed in claim 1 wherein the auction ends an undetermined period of time after the auction begins.

9. (previously presented) The method as claimed in claim 1 wherein the step of calculating an interim winning price for each bundle in the interim allocation includes the step of constructing an instance of the assignment problem.

10. (currently amended) A computer system for conducting a progressive, price-driven, combinatorial auction of items, the computer system comprising:
a set of related documents and associated files; and

a server for serving up the set of related documents and associated files to a plurality of I/O devices to provide bidders with capability to participate in the auction, the server being programmed with application software to:

- (a) receive bids for the items being auctioned from a plurality of bidders wherein each of the bids represents at least one bundle of items and at least one associated offer price;
- (b) calculate an interim allocation of bundles to bidders that maximizes or approximates a total value of winning bids;
- (c) calculate an interim winning price for each bundle in the ~~initial~~ interim allocation based on a k-bundle price algorithm which ensures that the bidders can determine whether they are winning the auction from the interim winning prices ;
- (d) transmit the interim allocation and the interim winning prices to the bidders;
- (e) receive upwardly-revised bids from the bidders;
- (f) calculate a revised, interim allocation of bundles to bidders and a revised, interim winning price for each bundle in the revised, interim allocation based on the revised bids;
- (g) transmit the revised, interim allocation and the revised, interim winning prices to the bidders;
- (h) repeat (e) through (g) until a termination criterion is satisfied; and
- (i) declare the last revised, interim allocation and the last revised, interim winning prices as an auction result after termination of the bidding process.

11. (currently amended) The computer system as claimed in claim 10 wherein the server is further programmed to:

determine interim prices for one or more unallocated bundles based on the ~~interim winning prices~~ k-bundle price algorithm; and

transmit the interim prices for the one or more unallocated bundles to the bidders.

12. (previously presented) The computer system as claimed in claim 10 wherein the items are products.

13. (previously presented) The computer system as claimed in claim 10 wherein the items are services.

14. (previously presented) The computer system as claimed in claim 10 wherein the items include at least one product and at least one service.

Q' 15. (previously presented) The computer system as claimed in claim 10 wherein the computer site is a Web site.

16. (previously presented) The computer system as claimed in claim 10 wherein the auction ends a fixed period of time after the auction begins.

17. (previously presented) The computer system as claimed in claim 10 wherein the auction ends an undetermined period of time after the auction begins.

18. (previously presented) The computer system as claimed in claim 10 wherein the server calculates an interim winning price for each bundle in the interim allocation by constructing an instance of the assignment problem.